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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA

Volume 4

OCTOBER 1959

Number 3

Released Pursuant to \$ 1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY OCTOBER 1959

The Chattanooga Order Minimum uniform producer price is \$4.94 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 4.0 percent.

During October 90.1% of the total producer milk was priced in Class I at \$5.14 per cwt. with a butterfat differential of 8.2 cents and 9.9% was priced in Class II at \$3.59 per cwt. with a butterfat differential of 7.2 cents. The percent of producer skim and butterfat priced in Class I was 90.7% and 77.0% respectively.

The daily average delivery of producer milk during October decreased 5.4% compared with September and increased 5.0% compared with October 1958. The daily average use of Class I milk decreased 1.7% compared with September and increased 4.4% compared with October 1958.

During October handlers received a daily average of 415,133 pounds of producer milk from 722 producers as compared with 395,523 pounds of producer milk from 777 producers during October 1958. Milk delivered from farm bulk tank producers during October was 316,397 pounds daily or 76.2% of total producer milk as compared with October 1958 bulk milk which was 187,624 pounds daily or 47.4% of total producer deliveries.

NUMBER OF FARM PAYROLL ACCOUNTS

	1958			1959									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Can	474	449	433	427	413	400	390	362	343	311	264	246	219
Tank	303	319	331	334	342	349	353	380	395	418	478	486	503
TOTAL	777	768	764	761	755	749	743	742	738	729	742	732	722
New	6	2	3	4	0	2	2	1	0	0	20	5	4
Quit	8	11	7	7	6	8	8	2	4	9	7	15	14

ACTIVITIES OF CHECK TESTERS-OCTOBER 1959: Plant Scales checked 5, Plant calls 96, Samples tested - Composite 1,128, Fresh 5,901, Finished Products 257.

NEW MILK BASES FOR 1960

Producers are reminded that under the Order a New Base is established each year. The daily base of each producer will be computed by the office of the Market Administrator by dividing the total pounds of milk received by all pool plants from such producer during the months of September through January by the number of days from the first day milk is received from such producer during said months to the last day of January, inclusive, but not less than 120 days. Under the Order, the base established by the producer is used in calculating the uniform prices to be paid for base and excess milk deliveries during the following months of March through July. Producers (particularly partnerships) are urged to see that their names are correctly listed with the handler receiving their milk. A BASE WILL NOT BE TRANSFERRED WITHOUT WRITTEN APPLICATION BEING RECEIVED BY THE MARKET ADMINISTRATOR. THE TRANSFER MUST BE SIGNED BY BASEHOLDER AND THE PERSON TO WHOM SUCH BASE IS BEING TRANSFERRED.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	Oct. '59	Sept. '59	Oct. '58
Number of Plants (Pool and Non-Pool)	19	19	20
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	98,736	118,426	207,899
Producer Milk - Bulk Tank	316,397	320,192	187,624
Total Producer Milk Pounds	415,133	438,618	395,523
% October '59 compared with:	100.0	94.6	105.0
Other Source Milk Pounds	13,922	10,329	11,201
Other Order Milk Pounds	7,073	26,548	19,436
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>436,128</u>	<u>475,495</u>	<u>426,160</u>
% October '59 compared with:	100.0	91.7	102.3
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	308,321	294,630	285,518
Buttermilk	40,765	39,308	37,002
Chocolate Milk	8,245	9,439	7,808
Fluid Skim	8,932	9,308	6,653
Fluid Creams	2,197	2,171	1,940
Bulk to Non-Handlers	14,804	35,832	32,587
Class I Shrinkage	4,544	3,139	1,081
Inventory Reclassification	(974)	(356)	(1,999)
Overstated Sales	-	-	-
Total Class I Milk	386,834	393,471	370,590
% October '59 compared with:	100.0	98.3	104.4
Class II Milk Pounds (Used to Produce)			
Butter	2,216	1,259	3,126
Cottage Cheese	13,225	13,950	9,827
Powdered and Condensed Milk	10,515	30,007	11,817
Ice Cream	17,634	21,566	20,599
Inventory Variation	(6,258)	1,327	744
Other	11,962	13,915	9,457
Total Class II Milk	49,294	82,024	55,570
% October '59 compared with:	100.0	60.1	88.7
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS</u>	<u>436,128</u>	<u>475,495</u>	<u>426,160</u>
% Producer Milk of Gross Class I	107.3	111.5	106.7
% Producer Skim of Gross Class I Skim	106.6	110.9	106.0
% Producer Butterfat of Gross Class I Butterfat	126.1	125.6	126.9
% Producer Milk Priced in Class I	90.1	82.7	87.5

NOVEMBER 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Nov. '59	Oct. '59	Nov. '58
Basic Formula (See page 4)	\$3.59	\$3.57	\$3.42
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.02	(0.18)	0.06
Class I Price, 4.0% Butterfat	\$5.36	\$5.14	\$5.23

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: September and October	
Supply: Lbs. Producer Milk (Sept. 13,158,542 and Oct. 12,869,117)	26,027,659
Demand: Lbs. Net Class I Milk (Sept. 11,172,281 and Oct. 11,913,941)	23,086,222
Utilization Percentage: Producer milk divided by Class I	113
Standard Utilization Percentage: Range 114-118	114
Net Deviation Percentage: Utilization minus Standard Utilization	minus 1
Supply-Demand Adjustment: 2 cents x 1 percentage point	plus \$0.02

Since the supply in relation to the demand is less than the desired standard, the price is increased 2 cents per hundredweight (2 cents x 1 percentage point).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR OCTOBER 1959

Based on 19 Plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		11,991,839	3.658		
Less Other Source		391,465	3.277		
Producer Milk Class I	90.1	11,600,374	3.670382	\$4.869713	\$564,904.92
Gross Class II		1,528,132	8.405		
Less Other Source		259,389	0.387		
Producer Milk Class II	9.9	1,268,743	10.044824	7.942273	100,767.03
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,869,117	4.298826		665,671.95
Add Fractional Adjustment					.05
Add Compensatory Payment Value		194,674		0.20	392.84
Add Overage Value					-0-
Add Inventory Reclassification Value					.208.48
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,649.76
TOTAL VALUE AT TEST		12,869,117	4.298826		671,923.08
Less Test Over 4% @ 8.0¢ per point		12,869,117	.298826	0.239061	30,765.04
TOTAL VALUE AT 4.0%		12,869,117	4.0	4.982145	641,158.04
Less Producer-Settlement Fund Reserve		12,869,117		.042145	5,423.69
UNIFORM PRICE f.o.b. POOL PLANT		12,869,117	4.0	\$4.94	\$635,734.35

OCTOBER 1959 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0%	\$4.14	3.6%	\$4.62	4.2%	\$5.10	4.8%	\$5.58	5.4%	\$6.06
3.05	4.18	3.65	4.66	4.25	5.14	4.85	5.62	5.45	6.10
3.1	4.22	3.7	4.70	4.3	5.18	4.9	5.66	5.5	6.14
3.15	4.26	3.75	4.74	4.35	5.22	4.95	5.70	5.55	6.18
3.2	4.30	3.8	4.78	4.4	5.26	5.0	5.74	5.6	6.22
3.25	4.34	3.85	4.82	4.45	5.30	5.05	5.78	5.65	6.26
3.3	4.38	3.9	4.86	4.5	5.34	5.1	5.82	5.7	6.30
3.35	4.42	3.95	4.90	4.55	5.38	5.15	5.86	5.75	6.34
3.4	4.46	4.0	4.94	4.6	5.42	5.2	5.90	5.8	6.38
3.45	4.50	4.05	4.98	4.65	5.46	5.25	5.94	5.85	6.42
3.5	4.54	4.1	5.02	4.7	5.50	5.3	5.98	5.9	6.46
3.55	4.58	4.15	5.06	4.75	5.54	5.35	6.02	5.95	6.50

NAME AND LOCATION OF PLANTS DISTRIBUTING MILK IN THE
 CHATTANOOGA, TENNESSEE MARKETING AREA (BRADLEY, HAMILTON AND McMINN COUNTIES, TENN.)

ATHENS, TENNESSEE

Mayfield Dairy Farms, Inc.

CHATTANOOGA, TENNESSEE

Associated Dairies, Inc.

Chattanooga Area Milk Prod. Assn.

Farm Fields Dairy

Grant-Patten Milk Co., Inc.

Ray Moss Farms, Inc.

Sanders Dairy, Inc.

Sealtest Foods, Southern Div.

CHICKAMAUGA, GEORGIA

C. D. Haslerig & Sons

CLEVELAND, TENNESSEE

Cleveland Creamery, Inc.

Hines Dairy

COLLEGEDALE, TENNESSEE

College Creamery

CONCORD, TENNESSEE

Russell Dairy, Inc. 1/

KNOXVILLE, TENNESSEE

French Broad Dairy, Inc. 1/

Stoffell's Dairy, Inc. 1/

RINGGOLD, GEORGIA

Nance's Dairy

ROSSVILLE, GEORGIA

Cunninghams Dairy

Happy Valley Farms, Inc.

SALE CREEK, TENNESSEE

Home Stores, Inc.

1/ Fully regulated by Federal Order No. 88, Knoxville, Tennessee

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Oct. '58	\$4.86	-	-	7.6¢	\$5.14	7.8¢	\$3.36	6.7¢
Nov.	4.88	-	-	7.4	5.23	7.6	3.35	6.7
Dec.	4.80	-	-	7.2	5.17	7.5	3.46	6.9
Jan. '59	4.88	-	-	7.4	5.21	7.8	3.33	6.6
Feb.	4.79	-	-	7.2	5.18	7.5	3.21	6.6
Mar.	4.67 ^{2/}	\$4.82	\$3.11	7.2	5.21	7.5	3.15	6.6
Apr.	4.49 ^{2/}	4.74	3.04	7.2	5.12	7.5	3.08	6.7
May	4.36 ^{2/}	4.59	2.99	7.2	4.97	7.5	3.03	6.7
June	4.46 ^{2/}	4.67	2.99	7.2	5.05	7.5	3.03	6.7
July	4.61 ^{2/}	4.83	2.99	7.2	5.10	7.5	3.03	6.7
Aug.	4.58	-	-	7.4	5.10	7.5	3.04	6.9
Sept.	4.77	-	-	7.6	5.04	7.8	3.57	7.2
Oct.	4.94	-	-	8.0	5.14	8.2	3.59	7.2
Nov.	-	-	-	-	5.36	8.1	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (¢-cwt-4%)				Highest or Basic Formula ¢-cwt-4%
	Mid-West Cond. ¢-cwt-3.5%	Chi. 92° Butter ¢ Lb.	Chi. Area Powders ¢ Lb.	Wisc. Cheese ¢ Lb.	Mid-West Cond.	Butter Cheese	Butter Powder	4 Tenn. Milk Mfg.	
Oct. '58	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35
Aug.	2.965	60.190	12.820	31.531	3.34	3.24	3.45	3.04	3.45
Sept.	3.013	62.730	12.890	31.692	3.39	3.36	3.57	3.10	3.57
Oct.	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS ^{3/}					Number of		Deliveries Per Farm -- Pounds			Prod. Milk Test %
	Gross Cl. I	Prod. Cl. I	Prod. Rcpts.	Base Rcpts.	Gross Rcpts.	Hdlr.	Prod.	Prod.	Base	Exc.	
Oct. '58	370,590	345,910	395,523	-	426,160	20	777	509	-	-	4.36
Nov.	355,410	328,935	392,877	-	425,836	20	768	512	-	-	4.43
Dec.	337,125	310,803	389,617	-	424,678	20	764	510	-	-	4.51
Jan. '59	362,232	334,538	388,175	-	423,612	20	761	510	-	-	4.46
Feb.	341,167	310,878	378,577	-	416,038	20	755	501	-	-	4.32
Mar.	332,496	301,741	399,902	365,270	434,768	20	749	534	488	46	4.27
Apr.	340,973	309,923	443,709	376,673	479,892	19	743	597	507	90	4.14
May	328,965	299,376	433,529	370,983	469,066	19	742	584	500	84	4.13
June	319,460	289,800	403,891	353,984	439,618	19	738	547	480	67	4.11
July	331,754	301,821	390,592	343,625	427,296	19	729	536	471	65	4.10
Aug.	341,613	311,370	410,849	-	447,253	19	742	554	-	-	4.07
Sept.	393,471	362,826	438,618	-	475,495	19	732	599	-	-	4.13
Oct.	386,834	374,206	415,133	-	436,128	19	722	575	-	-	4.30

^{1/} Excludes Premium^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Receipts is Producer minus Base

Class II is receipts minus Class I; Excess